

A Helping Hand on Affordable Housing

An op-ed submission by Councilmember Derick Berlage

The biggest purchase that almost all of us will make in our lives is buying a home. And -- if we're renters -- the monthly rent tab is almost surely the most costly single item in our budget.

But, unless one is used to prices in New York, San Francisco, or Honolulu, housing costs in Montgomery County are likely to cause sticker shock. And that's assuming you can find anything at all to meet your needs.

In a sense, we are victims of our own success. Montgomery County is a great place to live, raise a family, and earn a living. People want to live here.

With average rent increase still hovering at 6.8 percent and a red-hot real estate market despite the slowing economy, affordable housing for the working poor and middle class is hard to come by. That same escalation in real estate prices means that senior citizens -- who want to downscale their living arrangements and stay in the Montgomery County they helped to build -- encounter a shortage of options. So both our young families and our seniors are feeling the strain.

Simultaneously, we find that much of our currently existing affordable multi-family housing stock lies in our older communities. In many cases, it is aging and deteriorating -- and adversely affecting both the tenants' lives and the surrounding neighborhoods. And much of our affordable and well-maintained housing stock is in jeopardy and may be lost to market rates due to the expiration of their Federal subsidies.

Left to its own devices, the market place today will not provide the affordable housing we desperately need. That's why the Montgomery County Council recently approved \$15 million for our Housing Initiative Fund. This additional funding comes on top of the \$7.2 million, a 170 percent increase, added last year.

The Housing Initiative Fund (HIF) was the brainchild of former Councilmembers Bruce Adams and Bill Hanna. Established in 1989, HIF serves as a resource for community groups, renters, and property owners to help preserve housing at affordable prices for poor and working families. It assists landlords, tenants, and neighbors in making repairs and renovations to improve properties and, as a result, their surrounding neighborhoods. The Fund makes rehabilitation loans and helps finance non-profit acquisition of multifamily housing. It also helps first-time homebuyers.

The Council, at the urging of many dedicated housing activists like Frankie Blackburn and Tara Seeley, initiated “Building Neighborhoods to Call Home.” We wanted not only to financially reinvigorate HIF but also to make it more responsive to our communities’ needs for greater livability.

We toured struggling communities. We met with tenants and advocates, for-profit and non-profit housing developers, landlords and management companies to understand the needs of these various stakeholders. We worked to advance a “social capital” element -- a community focus -- in addition to a “bricks and mortar” approach. The new approach involves assistance to tenants, a resource center for landlords of affordable housing, promotion of more affordable housing near job centers, and strategic investments to preserve and improve neighborhoods.

“Building Neighborhoods to Call Home” is a tremendous step forward in using the HIF to create real homes and communities. For example, HIF has helped our non-profit partner Montgomery Housing Partnership (MHP) buy a very troubled property in East Silver Spring which is located in the middle of several aged properties and a single-family neighborhood.

HIF has more to do this year. And with the \$15 million the Council just approved, proposed by County Executive Doug Duncan, we can do more. But we can’t stop there.

The Council also recently revamped our Moderately Priced Dwelling Unit program to facilitate an increase the number of affordable units built in our downtowns like Bethesda and near our Metro stops.

And we also must act to increase our stock of affordable housing for Montgomery’s seniors in a manner appropriate to and consistent with the needs of our residential neighborhoods.

Together, we can build affordable and livable neighborhoods to call home.

Councilmember Derick Berlage represents Kensington, Wheaton, Takoma Park, and Silver Spring. He chairs the County Council’s Planning, Housing, and Economic Development Committee.